

From: ECHO --VUS0212A
To: TLINDON --VAU0002A Tim Lindon
cc: DHARRIS --VHK0852A DONALD HARRIS
OSMITH --VUS0212A Smith, Owen

Date and time 06/28/94 19:05:32

WBURRELL--VUS0212A Wendy Burrell

From: Betty Cho
PMI Public Affairs (ext. 9221)
Subject: GRANADA TV -- Draft Answers

Tim:

I understand that you are working on some of these answers. For your information, following is a draft response we have prepared to send to Granada TV. Please feel free to change/edit as you see fit. I will send this to you in hard copy over the fax separately.

Regards and thanks for your cooperation on this. BC

Dear Mr. Leigh:

Thank you for your interest in Philip Morris. While we will be unable to provide you with an on-camera interview for your show, we do thank you for the opportunity to be able to respond to you in writing.

Regarding the questions you sent, we hope the following information will be helpful to your program:

1. What exactly has Lady Thatcher been paid to do; how much has she been paid; and when and where has she done it? Has she been worth the money?

A: (PM CORPORATE to answer)

2. Why does Philip Morris support trade sanction threats against Asian countries that seek to ban cigarette advertising?

A: First of all, cigarette advertising is not the cause of smoking, and this is apparent from consumption data, court findings and scientific literature. The presence or absence of cigarette advertising does not affect overall cigarette consumption, although it does affect the competitive success of individual cigarette brands. It is important to know that countries which ban cigarette advertising do not generally have lower levels of cigarette consumption than countries which permit cigarette advertising. For example, for more than a generation, communist East Germany permitted no cigarette advertising, but had the same per capita cigarette consumption as West Germany, where the population saw cigarette advertising for their entire lives. Similarly in Asia, Singapore, with a longstanding cigarette advertising ban, has the same per capita cigarette consumption as Hong Kong, where cigarette advertising has always been very prevalent.

Although Philip Morris is not requesting or supporting trade sanction threats against Asian countries that seek to ban cigarette advertising, we feel that cigarette advertising bans are not only ineffective in reducing smoking, but they also distort competition by removing from manufacturers the ability to communicate with smokers about brand characteristics.